CHAPTER 12.—DEPOSITS.

Explanations 195
Limitations 196
Revenue Deposits—Repayments . 201
Form of Voucher 202
Quarterly Certificate . . . 203
Clearance Register . . . 204
Lapses—Annual Account . . 206
Civil and Criminal Courts' Deposits 209
Agreement with Treasury . . 214
Personal Deposits—Repayments . 217
Deposits of fees 217-A

Explanations.

195. (*a*) Deposits proper are classified according to the department through which they are received. The usual classes are (1) Revenue Deposits, (2) Civil Court Deposits, and (3) Criminal Court Deposits.

Another important class is Personal Deposits ; the account kept of them in the treasury is of the nature of a banking deposit account.

Other classes may be added under the order of the Accountant General. Separate registers should always be maintained under the instructions of the Accountant General for deposits which when they lapse will be creditable to Central Revenues.

1. In provinces where all branches of the civil administration, revenue, criminal and civil, are under the same officer, the system may be adopted of including all deposits of the district and subordinate courts in one register as *revenue* deposits ; or the Treasury Officer may be directed to receive and keep accounts of all such deposits in exactly the same way as revenue deposits, but in separate registers and returns under the designation of "Civil Courts and Magistrates' deposits."

(*b*) The following rulings regarding classification are to be observed :—

(*i*) *Revenue Deposits.*—(1) Earnest money Deposits made by intending tenderers of the Civil and Military Departments are credited to Revenue Deposits. No previous authority of a departmental officer is necessary, but the depositor must state the designation of the officer in whose favour he makes the deposit and that designation must be stated on the receipt given by the treasury. These deposits may be received at sub-divisional as well as at district treasuries.

(2) At stations where there is no branch of the Imperial Bank of India, an officer commanding a regiment of Bengal Cavalry may, when the cash in his regimental chest reaches a large amount, lodge a part of it as an ordinary deposit in the treasury : it should be shown as a revenue deposit.

(*ii*) *Personal Deposits.*—(1) Receipts and payments on account of wards' and attached estates and estates under Government management are recorded in the treasury in personal ledgers.

(2) Personal ledger accounts for regimental funds may be opened in civil treasuries by officers commanding regiments of cavalry and infantry and batteries and companies of artillery and by Assistant Surgeons, Army Bearer Corps. They should be opened in the name of

the commanding officers or Assistant Surgeons as the case may be, and do not require the special permission of the Auditor General in each case. A half-yearly certificate of the balances of these accounts may be furnished by Treasury Officers on the application of the Officer Commanding.

(3) Other Personal Deposits made by Government servants in their official capacity may not be accepted without the special permission of the Auditor General for the opening of a banking account with the treasury.

Limitations.

196. Save as provided in clause (*b*) (1) of Article 195 in respect of the Military Department, these rules do not apply to departments which are not under the audit control of the local Accountant General. Whatever sums are paid into a treasury by officers of these departments, or on their account, must be carried to the credit of the department concerned in the Civil accounts.

197. It is the business of the Treasury Officer to see that no item is credited as a deposit save under formal order of competent authority, and also, if the amount could be credited to some known head in the Government account, to make representations to the court or authority ordering its acceptance. No sums are to be credited in any deposit register which can be carried to any other head of account ; for example, revenue paid to Government on account of a demand not yet due should at once be finally carried to the proper Budget head, and may not be placed in deposit.

NOTE.—Government Promissory Notes or other security deposits (not being cash) received from revenue farmers or other contractors are not revenue, and must on no account be credited as revenue.

198. The treatment of the following items as deposits is prohibited :—

(*a*) No pay, pension, or other allowance should be placed in deposit on the ground of the absence of the payee or for any other reason ; in a district office pay should not be drawn till the claimant appears.

1. This prohibition does not extend to the balance of the cheque for payment of Indian military pensioners.

2. When a pension is granted to several persons jointly, it may not be drawn on the appearance of one claimant only, and payment of his reputed share made, the balance being placed in deposit.

(*b*) No fines should be placed in deposit on the ground that appeal is pending ; they should be credited at once to Government, and refunded, if necessary, on order of the appellate court. But compensation fines (including costs in criminal cases) due to an injured party, and not to Government, should be kept in deposit both in appealable and non-appealable cases, till they lapse under the ordinary rule.

(*c*) Refunds, whether of stamp or of other receipts, can be drawn only on the appearance and on the receipt of the person entitled to them after production of due authority ; on no account may they be

charged on the receipt of an official and lodged in deposit pending demand.

NOTE 1.—The following rules have been laid down for the payment of refunds of revenue credited (other than Income-tax) or amounts deposited in cases where the amount involved does not exceed R100 :—

(1) On receipt of a refund order passed by the Collector or other officer concerned, the Treasury Officer may at his discretion issue a notice (*a*) inviting the person to whom the refund is to be made to receive payment at the treasury, and (*b*) intimating that on failure to comply with the invitation within one month (or such longer period as may appear neccessary) the amount of the refund will be remitted to the payee by postal money order at his expense.

(2) When the payee appears in person at the treasury, the Treasury Officer should see that no avoidable delay occurs in getting the voucher for the refund signed by the payee who may then receive the payment personally or by a duly authorised agent or by money order at his own expense.

(3) When a money order is issued under clause (*b*) of the notice referred to in Rule 1 the purpose of the remittance should be briefly stated by the Treasury Officer on the acknowledgment portion of the money order form in continuation of the printed entry there "Received the sum specified above on—," sufficient space being left below the manuscript entry thus made, for the signature or thumb-impression of the payee. The amount of the money order should not be remitted in cash to the Post Office, but the Treasury Officer should send a money order form duly filled in together with a certificate that the amount of the order and the money order fee thereon have been credited to the Post Office in the treasury accounts by *per contra* transfer. The Post Office will accept the money orders on the authority of the Treasury Officer's certificate.

(4) On receipt of the money order acknowledgment duly signed by the payee, it should be attached to the usual receipt in Form 17 or 27, as the case may be, in which the full amount of the refund and the deduction made therefrom on account of the money order fee should be clearly shown ; the receipt will then be disposed of in the usual way. The Account Department will accept such voucher with the money order acknowledgment as a valid receipt for the full amount of the refund entered therein.

NOTE 2.—The rules regarding refunds of Income-tax are given in Appendix 2.

199. (*a*) The net sale-proceeds of impounded cattle are to be kept in deposit for three months, and if no claim be made within that time, are to be credited to the proper account.

(*b*) The sale-proceeds of unclaimed property are not to be placed in deposit at all ; under Act V of 1861, section 26, the property *itself* is to be kept for six months, but money realized by sale is at once (section 27) at the disposal of Government, and should be taken to credit of Administration of Justice. Exception must, however, be made in the case of property left by persons dying intestate and without heirs, which civil courts will secure and hold for certain periods in accordance with the local law.

1. If unclaimed property be perishable and be sold because it cannot be kept or if it be sold for the benefit of the owner or because its value is less than ten rupees, its proceeds should be held for six months in deposit, but the circumstances should be clearly stated under "Nature of deposit".

2. Money belonging to prisoners in jail should not be held for long terms by the Jail Department, but should be paid into the treasury at convenient intervals.

3. The Police Department should have no deposits except security and earnest money deposits, which should be paid into the treasury as Revenue Deposits; unclaimed property found by, or delivered up to, a police officer should be made over to the magistrate; proceeds of sales of old stores or other Government property should be paid into the treasury for credit to Government; no pay, reward, or other allowance payable to a police officer should be held undisbursed.

200. Money tendered as personal deposits by private individuals or by Government servants acting in other than their official capacity, and funds of *quasi*-public institutions even though, like certain dispensaries, they are aided by Government, may not be accepted for deposit in a treasury without the special sanction of the local Government. Nor can any jewels or other property received for custody and restoration in kind be brought on the deposit register, though the value be stated in money.

NOTE.—A single exception is made in a case where a district officer has to receive from an Indian State a sum of money to be paid out to certain claimants; if, the money is paid in coin of a native mint, it may be credited in the deposit register at its reputed value; repayments, which will be in the same coin, being of course charged at the same value.

Revenue Deposits—Repayments.

201. (*a*) A person claiming refund of a deposit must produce an order of the court or authority which ordered acceptance of the deposit; this order the Treasury Officer will compare with the entry in the register of receipts, and, if the balance be sufficient, he will take the payee's receipt, make payment, and record it at once, under his initials, both in the register of repayments, Form 26, from which a daily total is carried to the cash book and in that of receipts, noting in both also the date and amount of the repayment. If there be not a sufficient balance at credit of the particular item, the Treasury Officer will endorse this fact on the order and return it to the person presenting it.

(*b*) Earnest Money Deposits of the Civil and Military Departments will be refunded only under the authority of an order endorsed upon the original deposit receipt of the Treasury Officer, by the departmental officer in whose favour the deposit was made. It must be borne in mind that no part payment can ever be made. If, however, the departmental officer desires that the deposit, instead of being refunded, be carried to the credit of Government, he will return the receipt with this direction, whereupon the Treasury Officer will make the necessary transfer on the authority of this voucher.

NOTE.—When, at a treasury which banks with a branch bank, a deposit is repaid by an order on the bank, the entry in the register of receipts will be made when the order is issued and that in the register of repayments when the repayment is reported in the daily bank sheet.

Form of Voucher.

202. In order to avoid the inconvenience and risk which accompany the payment of money upon proceedings recorded in the vernacular languages, and to ensure caution in the issue of such orders, the Government has directed that every order issued by a court or office for the

payment of money from a Government treasury shall be in English, unless the presiding officer is unacquainted with that language. If the disbursing officer does not understand English, and the officer ordering the payment does, the order for payment shall be both in the vernacular and in English.

NOTE.—Form 27 has been prescribed for the repayment order and voucher for deposits repaid.

Quarterly Certificate.

203. At the end of every quarter a certificate must be recorded on the extract register of receipts by every district officer not in personal charge of the treasury, or by a gazetted officer of the district staff (not being the Treasury Officer) selected by the district officer for the purpose, that he has personally carefully examined the register, and that the entries are made with the utmost care and regularity.

NOTE.—This examination is not intended to be mechanical, and to secure only that all necessary entries are made and initialled without fail at the time of the transaction, but also that no moneys are unnecessarily placed in deposit, or allowed to remain there without good cause.

Clearance Register.

204. In April each year the Treasury Officer should examine the Receipt Register of the second preceding year, and transfer to a Clearance Register in Form 28 with suitable change in the headings, all the outstanding balances which are not reported for lapse under Article 206. To this Clearance Register should also be transferred any items in the last preceding Clearance Register but one, that are for special reasons not allowed to lapse to Government under Article 206, while the bulk of the outstandings in it so lapse. It should then be submitted to the Account Office with a view to repayments during the next two years being recorded on it in the columns provided for the purpose.

Old items thus transferred from one Clearance Register to a second one should be carefully watched by the district officer and must in the ordinary course lapse at the end of the two years for which the latter is current. They cannot be allowed to be carried forward to a third Clearance Register without the special sanction of the Accountant General. In the district offices the repayment of items entered in a Clearance Register submitted to the Account Office should continue to be recorded in the original Receipt Registers. It is not intended that Clearance Registers should be used in district offices.

205. A certificate from the administrator of every personal ledger account (to the effect that the balance claimed by him is of a named amount, and detailing his outstanding cheques in order to explain the difference between his balance and that admitted by the Treasury Officer in his *plus* and *minus* memorandum) should be transmitted along with the Clearance Registers for other classes of deposits.

Lapses—Annual Account.

206. Deposits not exceeding one rupee unclaimed for one whole account year, balances not exceeding one rupee of deposits partly repaid during the year then closing, and all balances unclaimed for more than

three complete account years will, at the close of March in each year, be credited to Government by means of transfer entries in the Accountant General's Office. Of deposits or balances thus lapsing, the Treasury Officer must submit to the Accountant General, immediately after 31st March, a list in Form 29.

NOTE 1.—Early in March the registers of deposits should be taken up, and an extract made on ruled paper of those of each class which would, in ordinary course, whether from age or pettiness, lapse at the end of the month. This list should then be reviewed by the district officer, and any item, which in his opinion should not be so dealt with, should be struck out and *at the same time* (if it be an item lapsing from age) entered on the first page of the Clearance Registers for that class, full detail of the reasons why it is not to lapse being given in a covering memorandum. Similarly, if any item is repaid in the course of the month, it should be struck out of this list at the same time as the payment is entered in the registers of receipt and repayment. On the 31st March each of these lists should be again checked with the register of receipts, wherein its items should be marked off as having lapsed and been credited on 31st March, and the total of the list should be deducted in the *plus* and *minus* memorandum from balance shown at credit of the particular class of deposits, the list itself, signed by the district officer, being forwarded to the Accountant General. This duty may be delegated by the district officer to a gazetted officer of the district staff, not being the Treasury Officer.

NOTE 2.—In preparing the lapsed statement the items should be entered in chronological order, and separate totals should be given for deposits relating to different years.

NOTE 3.—In cases in which the lapsed deposits are creditable to provincial revenues, the Provincial Governments may raise the limit of one rupee laid down in this Article to any amount not exceeding rupees five.

NOTE 4.—The Government of India have raised the limit of one rupee prescribed in this article to rupees five for the Central Deposits of the Customs, Salt and Navy Departments.

NOTE 5.—The rule in this article, requiring that all deposits and balances of deposits not exceeding one rupee, remaining unclaimed for one whole account year should be credited to Government at the close of each year, is not binding in respect of the deposits of the Courts of Small Causes in the Bombay Presidency. In that Presidency, all deposits paid into such courts, irrespective of amount, are creditable to Government as lapsed only after the completion of three account years.

207. Deposits credited to Government under Article 206 cannot be repaid without the sanction of the Accountant General, but this sanction will be given as a matter of course on ascertaining that the item was really received, was carried to credit as lapsed, and is now claimed by the person who might have drawn it any time before the lapse. The amount of a lapsed deposit refunded will, however, be charged in the cash book as a refund and not debited to deposits. But the payment of the deposit should be recorded in the district register of receipts, so as to guard against a second repayment.

NOTE.—As District Registers of Receipts are destroyed after varying intervals in different provinces the entry of repayments in those registers will not be possible if the repayments are made after the registers have been destroyed. The rule in the last sentence of the above article is therefore inoperative in such cases.

As neither the Treasury nor the Audit Officer has any means of verifying a claimant's title to a refund in such cases, the responsibility for such verification will devolve on the authority who signs the application for refund in Form No. 30.

208. The application for sanction will be made in Form 30. There must be a separate application for deposits repayable to each person, and it will be used as the voucher on which the payment is to be made and submitted to the Accountant General with the List of Payments in which it is charged.

Civil and Criminal Courts' Deposits.

209. (*a*) There are two methods in which the accounts of civil court and of criminal court deposits may be kept.

(*b*) In the first of these, each deposit is separately paid into and drawn from the treasury, upon documents passed by the presiding officer and setting forth the particulars necessary for the entries in the receipt register. In this case the registers of receipt and repayment are kept and the monthly and annual returns and lapsed lists submitted by the Treasury Officer in the manner above prescribed for revenue deposits, although the sets of registers and returns must all be kept separate from those of the revenue deposits. For these no further instructions are necessary.

NOTE.—This method is not desirable if the judge or magistrate is a separate officer from the district officer, and has to keep a separate set of deposit accounts for his own purposes.

210. According to the other method, the civil courts and magistrates merely bank with the treasury, remitting without detail their gross deposit receipts for credit in a personal ledger, and making repayments by cheques on the treasury which are taken to debit of the same personal account. These personal ledgers, and the corresponding accounts and returns, must be kept by Treasury Officers, in the form prescribed for personal deposits, but quite separate from those of personal deposits proper; and they will be designated as civil court or criminal court deposits.

NOTE.—The Treasury Officer, in sending as his vouchers the paid orders of the civil court, should attach them to a covering list showing the number and amount of each.

211. The object and effect of this arrangement is simply to relieve the Treasury Officers of responsibility for the *details* of the deposit transactions, not to abolish detailed record, but to confine it to the departmental office in which registers of receipts and payments must be kept up in the same form; and be worked on the same principle as above prescribed for the Treasury Officer's accounts of revenue deposits. The civil court or magistrate in this case is responsible for the monthly detailed returns despatched to the Accountant General (although the vouchers are sent by the Treasury Officer), for the quarterly certificate, and for the Clearance Registers and statement of lapses,—*vide* Articles 203 to 207.

212. The civil court or magistrate will incorporate with his own accounts and returns the deposit items of his subordinate courts, as a Treasury Officer does those of subordinate treasuries. It may, however, be arranged that some subordinate courts should keep independent

accounts and submit their returns direct to the Accountant General. Separate accounts will, of course, be kept for, and separate returns submitted by, the several Small Cause Courts.

NOTE 1.—Each transaction of receipt or payment of a civil and criminal court deposit must be initialled by—

(*a*) the Judge or Magistrate ; or

(*b*) in the case of a High or Chief Court or a Judicial Commissioner's Court, by any gazetted officer of the Court ;

(*c*) in the case of a Small Cause Court, unless otherwise ordered by the local Government, by a Registrar appointed under section 13 of the Presidency Small Cause Courts Act, 1882 (XV of 1882), or under section 12 of the Provincial Small Cause Courts Act, 1887 (IX of 1887).

NOTE 2.—The *plus* and *minus* memorandum of the balance of the deposits should be stated by the Judge or Magistrate upon the register of receipt transmitted to the Accountant General.

213. In civil courts where numerous petty sums are received from suitors for immediate disbursement in full (as for diet, postage, etc.), the detailed control might, with the approbation of the chief judicial authorities, be left with the receiving court.

1. The receiving court, however, should record and deal with these petty deposits with the same care and formality as others. It should enter all in detail in a register of deposit receipts of the ordinary form, labelled "Sheriff's petty accounts", and repayment would be recorded in the similar separate register of repayments, both to be handled and attested like the general register. From these two separate registers daily totals would be carried into the general registers (though, of course, without numbers) and also into a register of the personal ledger form in which a daily balance would be struck ; monthly totals of receipts and of payments on Sheriff's petty accounts would be noted on the extracts from the general registers submitted to the Accountant General, and lapses periodically reported.

2. The detailed instructions regarding these petty deposits would be prescribed, whenever the system was permitted, by the chief judicial authority and the Accountant General in communication.

Agreement with Treasury.

214. When the different civil courts of a district bank with the civil treasury, the Treasury Officer may, if it facilitates the comparison of the accounts, open a personal ledger account for each court, even though the deposit transactions of the subordinate courts be brought by a superior court in detail on its own registers.

215. (*a*) To prevent disagreement between the deposit figures reported to the Accountant General by civil courts and by Treasury Officers, it is necessary to arrange that the former shall report only completed transactions. A civil court does not usually receive money, but gives the intending depositor an order to the Treasury Officer to accept it ; and so, though recording the issue of this order in a court register with sufficient detail, it will not bring the item on the deposit register till the Treasury Officer advises receipt. Similarly it will ascertain from the treasury at the close of the month which of its payment warrants have been cashed, and detail at foot of its extract register of repayments the warrants which are unpaid, deducting their total from the total of the extract.

(*b*) The Treasury Officer will furnish the court with a daily advice list of the sums received and paid, or advise the receipts and payments in a pass book as may be laid down by the Accountant General.

1. When it is inconvenient for a depositor to proceed to the treasury with the court's order to lodge his deposit, it may be received by the court, and by it afterwards forwarded to the treasury. Courts in the same town with a treasury or subtreasury should make remittances daily ; if at a greater distance, they should remit frequently at fixed intervals. Similarly, when it is inconvenient for a claimant to proceed to the treasury there to obtain repayment of a deposit the Judge may pay him in cash, provided that there are in the court funds sufficient whether of current deposit receipts or of the office permanent advance.

2. In these cases, however, the gross receipts and payments taking place at the court must be shown as remitted to and from the treasury, and the payment be supported by the paid orders. If the receipts are in excess of the payments, the excess will be remitted in cash to the treasury ; and if the payments are in excess of the receipts, the treasury will pay the excess to the court, which will thus recoup the permanent advance account.

3. No permanent advance should be given and held apart specially for the repayment of deposits ; the office permanent advance may be augmented sufficiently.

216. When the list of lapses is made up by the Judge or Magistrate notice of the amount must be sent to the Treasury Officer to enable him to deduct the amount in the personal ledger.

Personal Deposits—Repayments.

217. Withdrawals are made only on cheques signed by the responsible administrator which are current for three months from the date of issue.

Deposits of Fees.

217-A. The following are the rules for accounting for fees received by Government servants for work done for private bodies :—

(*i*) In cases where a Government servant is permitted to retain the whole of a fee, he should collect it himself and the Government accounts will not be concerned with the transaction.

(*ii*) In cases where recoveries from the private bodies are divisible between the Government and the Government servant concerned :—

(*a*) All the fees must in the first instance be paid into the treasury to the credit of Government (as far as possible by the bodies paying the fee) and the amounts due to the Government servants concerned must be drawn on regular bills.

(*b*) If the exact amount of the fees and the distribution of shares between Government and the Government servant are known beforehand, the share due to Government should be credited as revenue of the Department to which the Government servant belongs and the rest should go to the deposit head " Deposits of fees received by Government servants for work done for private bodies " under

"Civil Deposits" for disbursement to the Government servant on a regular bill.

(*c*) If the amount of the fees or the shares are known only approximately beforehand, the recoveries should be credited to the head "Deposits of fees received by Government servants for work done for private bodies", pending final settlement, when the recoveries should be disposed of as in (*b*) above.

NOTE.—These rules are intended to be applied to cases in which the whole or a share of the fees as such is payable to the Government servant doing work for private bodies or persons. They are not applicable to cases, *e.g.*, fees levied for overtime work in departments where it is in existence, where a Government servant undertakes the work as a part of his official duties although, in view of the extra work involved and in consideration of the fees realised, he is remunerated by a share out of these receipts. In such cases the fees realised are adjustable as departmental receipts and the disbursements to the Government servant as departmental expenditure under 'Allowances, Honoraria, etc.'